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Geo. E. Penn (1895-1931)
Wm. A. Stuart (1922-1976)

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Timothy W. Gresham

B. L. Conway, II
Monroe Jamison, Jr.
H. Ashby Dickerson
Byrum L. Geisler
M. Jill Morgan
Kenneth D. Hale
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Offices in Abingdon
and Bristol, Virginia

September 10, 1991

Byron T. Fulmer, Secretary
Virginia Gas & Oil Board
230 Charwood Drive
Abingdon, Virginia 24210

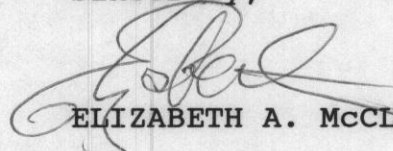
Re: Revisions to BUS2 Unit Application
Docket No.: VGOB-91-0924-150
PSE&J File No.: 68-32

Dear Tom:

I have enclosed an original and eleven copies of the revised application for Pocahontas Gas Partnership's proposed BUS2 Unit, Docket No.: VGOB-91-0924-150. Please replace the application filed on August 26, 1991, with the revised application and copies enclosed.

Thanks very much. If you have any questions, please do not hesitate to call me.

Sincerely,



ELIZABETH A. MCCLANAHAN

EAM/fgm

Enclosures

[tj\68-32\Fulmr.1tr]

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	POCAHONTAS GAS PARTNERSHIP)	
)	
RELIEF SOUGHT:	CONSOLIDATION OF THE OAKWOOD)	
	COALBED GAS FIELD UNITS)	Docket No.
	AA-25, AA-26, BB-25, BB-26,)	VGOB-91-0924-150
	CC-25 AND CC-26 FOR THE)	
	ESTABLISHMENT OF A UNIT)	
	DESIGNATED AS THE BUS2)	
)	
LEGAL)	
DESCRIPTION:	BUCHANAN COUNTY, VIRGINIA)	
	(SEE DESCRIPTION HEREIN AND)	
	PLAT ATTACHED HERETO AS)	
	EXHIBIT "B"))	

A P P L I C A T I O N

1. Parties.

1.1 Applicant herein is Pocahontas Gas Partnership, a Virginia partnership composed of Consolidation Coal Company ("Consol"), a Delaware corporation, and Conoco Inc., a Delaware corporation, whose address for the purposes hereof is P.O. Box 200, Mavisdale, Virginia, 24627, Telephone: (703) 498-3336. The attorneys for Applicant are James P. Jones and Elizabeth A. McClanahan, of the firm of Penn, Stuart, Eskridge & Jones, P.O. Box 2009, Bristol, Virginia 24203, Telephone: (703) 466-4800.

1.2 Applicant seeks by this application the consolidation of Oakwood Coalbed Gas Field Units AA-25, AA-26, BB-25, BB-26, CC-25 and CC-26 for the establishment of the BUS2 unit for the exploration, development and production of coalbed methane from the pool defined as those strata correlative to the coal seams and the coal seams below the Tiller Seam, including the Lower Castle, Upper Seaboard, Greasy Creek, Middle Seaboard, Lower

Seaboard, Upper Horsepen, Middle Horsepen, C, War Creek, Pocahontas No. 10, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams or pools, and all zones in communication therewith and all productive extensions thereof (hereinafter the "Pool"), underlying an area in Buchanan County, Virginia, as described on the attached Exhibit "A".

1.3 The names and last-known addresses of each owner identified by Applicant as having an interest in the coalbed methane, or in the case of conflicting claims to the ownership of the coalbed methane, each person identified by the Applicant as a potential owner of the coalbed methane underlying the tracts described in Exhibit "B", are set forth in Exhibit "C" attached hereto and made a part hereof.

Each of the individuals named in Exhibit "C" is being made a party if living; if any such individual is deceased, then the unknown heirs, executors, administrators, devisees, trustees and assigns, both immediate and remote, of any such deceased individual are made parties herein. Any entity listed in Exhibit "C" that is a corporation is being made a party if such entity continues to have legal existence, and if any such corporation is dissolved, then the unknown successors, trustees and assigns, both immediate and remote, of such dissolved corporation are made parties herein.

Any entity listed in Exhibit "C" that is an unincorporated association is being made a party if such entity continues to have legal existence, and if any such incorporated association is dissolved or otherwise not in existence, then the unknown successors, trustees and assigns, both immediate and remote, of such unincorporated association are made parties herein.

1.4 The coal, oil and gas tracts in which Pocahontas Gas Partnership has no interest are listed in Exhibit "D". Consolidation Coal Company, a partner of Pocahontas Gas Partnership, and Pocahontas Gas Partnership control 100% of the coal estate below drainage, 99.8104% of the oil and gas estate and 5.2292% of the coalbed methane estate underlying the lands described herein and depicted on the attached Exhibit "B". Applicant is an owner of the right to explore for, develop and produce the coalbed methane underlying 100% of the lands described herein and depicted on the attached Exhibit "B".

2. Allegation of Facts.

2.1 Applicant has acquired sufficient data necessary to determine the spacing of wells for the Pool within the proposed unit in Buchanan County, Virginia, as shown on the attached Exhibits "A" and "B". The boundaries of the unit proposed by this application are as shown on the attached Exhibit "B" and are within

the boundaries of the Oakwood Coal Bed Gas Field as established by Order No. OGCB 3-90 dated May 18, 1990 (the "Oakwood Order"). The name of the unit proposed by this application is the BUS2. Such data shows that the lands involved herein are wholly or substantially underlain by the Pool, consisting of a common accumulation of coalbed methane, and that the maximum area within the Pool of the proposed BUS2 unit underlying the lands involved herein that can be efficiently and economically drained by nine (9) wells is an area of approximately 480 acres.

2.2 The proposed BUS2 contains a total of 480 acres. Consolidation Coal Company, a partner of Pocahontas Gas Partnership, and Pocahontas Gas Partnership are the owners of coal leases below drainage covering approximately 474.10 acres, oil and gas leases covering approximately 313.70 acres and coalbed methane leases covering 20.20 acres in BUS2. In addition, Consolidation Coal Company, a partner of Pocahontas Gas Partnership, and Pocahontas Gas Partnership are the owners of 5.90 acres of coal and 165.39 acres of oil and gas in BUS2.

2.3 In the interest of preventing the waste of coalbed methane, avoiding the drilling of unnecessary wells, protecting correlative rights, and allowing concurrent development of conflicting leasehold estates, the Oakwood Order should be modified, the Oakwood Coalbed Gas Field Units AA-25, AA-26, BB-25, BB-26, CC-25 and CC-26 should be consolidated, and the boundaries

of the Pool should be established so as to cover and include the 480 acres as shown on Exhibit "B".

2.4 The Oakwood Order provides that the minimum spacing distance between coalbed methane wells shall be 600 feet. The Oakwood Order further provides that the minimum distance from the nearest outside boundary of a drilling unit at which a coalbed methane well may be drilled shall be 300 feet.

2.5 Applicant hereby requests location exceptions to the Oakwood Order for the location of well numbers BCH-DG-104 (CBM-PGP-104), BCH-DG-106C (CBM-PGP-106C) and BCH-DG-112 (CBM-PGP-112). Such exceptions are necessary since three (3) of the vertical ventilation holes (VVHs) within the proposed BUS2 unit are drilled closer than 300 feet to the proposed unit boundary.

2.6 It is the opinion of Applicant that the location exceptions requested would provide for the most efficient drainage of the Pool underlying the proposed unit described in Exhibit "B", which would thus prevent the waste of the mineral resources underlying the Commonwealth. The exceptions are also necessary for purposes of mine safety, for compliance with federal and state laws and regulations, and in order that the well spacing and modification within BUS2 conform and correspond to mine development plans and operations consistent with the Virginia Department of Mines, Minerals, and Energy laws and regulations.

2.7 The proposed unit within which Applicant seeks to have such location exceptions to the Oakwood Order established is bounded according to the Virginia (South) (Rectangular) State Plane Coordinates System:

Beginning at N 318,262 E 988,670, thence to N 318,120 E 992,385 thence to N 312,488 E 992,196, thence to N 312,620 E 988,483, thence to the Beginning.

BUS2 would consist of four (4) longwall panels of Consol's Buchanan No. 1 mine. The strata within the coal-bearing area of Consol's Buchanan No. 1 mine consists of sandstone, shales and coals of the Lower Pennsylvania Pottsville Group. The formations in ascending stratigraphic order are: Pocahontas (which contains the Pocahontas No. 3 seam); Lee; and, Norton. There is approximately 600 feet of stratigraphic section between the Pocahontas No. 3 seam horizon and the Norton formation horizon. Structurally this area lies in the asymmetrical, southwesterly plunging Dry Fork Anticline. Strata dips are to the northwest at 1 to 2 degrees. The Dry Fork Anticline plunges approximately 0.5 degrees to the southwest.

2.8 A minimum of nine (9) VVHs should be approved to be converted to coalbed methane wells within BUS2. With the exception of the wells listed in paragraph 2.5, any well within BUS2 should not be located at any point less than 300 feet from the boundary of BUS2, and in any event should not be located less than 600 feet from any other existing well completed in BUS2, unless the Gas and

Oil Inspector (the "Inspector") grants a variance. The Inspector may grant variances for the number of wells to be converted within BUS2 for purposes of mine safety or in order that the well spacing within BUS2 conforms and corresponds to mine development plans and operations.

2.9 The proposed well bore location for BCH-DG-104 (CBM-PGP-104), is located 7920 feet South of latitude 37° 10' 00" and 2520 feet West of longitude 81° 57' 30" in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 313,915.62, East 989,970.81.

The proposed well bore location for BCH-DG-105 (CBM-PGP-105), is located 6427 feet South of latitude 37° 10' 00" and 2480 feet West of longitude 81° 57' 30" in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 315,435.63, East 990,027.24.

The proposed well bore location for BCH-DG-106 (CBM-PGP-106), is located 5447 feet South of latitude 37° 10' 00" and 2450 feet West of longitude 81° 57' 30" in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 316,416.82, East 990,065.69.

The proposed well bore location for BCH-DG-106C (CBM-PGP-106C), is located 3750 feet South of latitude 37° 10' 00" and 2370

feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 318,096.72, East 990,115.30.

The proposed well bore location for BCH-DG-107 (CBM-PGP-107), is located 7620 feet South of latitude $37^{\circ} 10' 00''$ and 1680 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 314,216.08, East 990,836.55.

The proposed well bore location for BCH-DG-108 (CBM-PGP-108), is located 6539 feet South of latitude $37^{\circ} 10' 00''$ and 1630 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 315,318.01, East 990,892.96.

The proposed well bore location for BCH-DG-110 (CBM-PGP-110), is located 7620 feet South of latitude $37^{\circ} 10' 00''$ and 930 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 314,210.48, East 991,577.16.

The proposed well bore location for BCH-DG-111 (CBM-PGP-111), is located 6599 feet South of latitude $37^{\circ} 10' 00''$ and 930 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of

Buchanan County, Virginia, Virginia South State Plane coordinates North 315,252.64, East 991,595.09.

The proposed well bore location for BCH-DG-112 (CBM-PGP-112), is located 3862 feet South of latitude 37° 10' 00" and 655 feet West of longitude 81° 57' 30" in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 317,977.50, East 991,871.52.

3. Legal Authority. The relief sought by this Application is authorized by: (1) Va. Code Ann. §§ 45.1-361.1, *et seq.* (Supp. 1991); (2) VR 480-05-22, *et seq.*; (3) VR 480-05-22.1, *et seq.*; (4) VR 480-05-22.2, *et seq.*; and, (5) such other regulations promulgated pursuant to law.

4. Relief Sought. Applicant respectfully requests the Virginia Gas and Oil Board to enter an order establishing a unit as follows:

(A) Consolidating Oakwood Coalbed Gas Field Units AA-25, AA-26, BB-25, BB-26, CC-25 and CC-26 and establishing the boundaries of the Pool of coalbed methane so as to cover and include the proposed BUS2 unit

as set forth in the attached Exhibit "B", and designating the Pool underlying such lands;

(B) Establishing the rules regarding the number of VVHs that may be converted to coalbed methane wells;

(C) Granting location exceptions to the Oakwood Order and approving the location of well numbers BCH-DG-104 (CBM-PGP-104), BCH-DG-105 (CBM-PGP-105), BCH-DG-106 (CBM-PGP-106), BCH-DG-106C (CBM-PGP-106C), BCH-DG-107 (CBM-PGP-107), BCH-DG-108 (CBM-PGP-108), BCH-DG-110 (CBM-PGP-110), BCH-DG-111 (CBM-PGP-111) and BCH-DG-112 (CBM-PGP-112) at the coordinates set forth herein and depicted on the plat attached as Exhibit "B-1" for the proposed unit; and,

(D) Granting such other and further relief as may be appropriate based upon the evidence presented at the hearing.

DATED this 10th day of September, 1991.

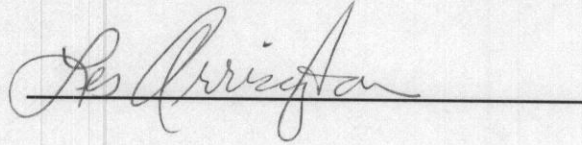
POCAHONTAS GAS PARTNERSHIP

By: _____

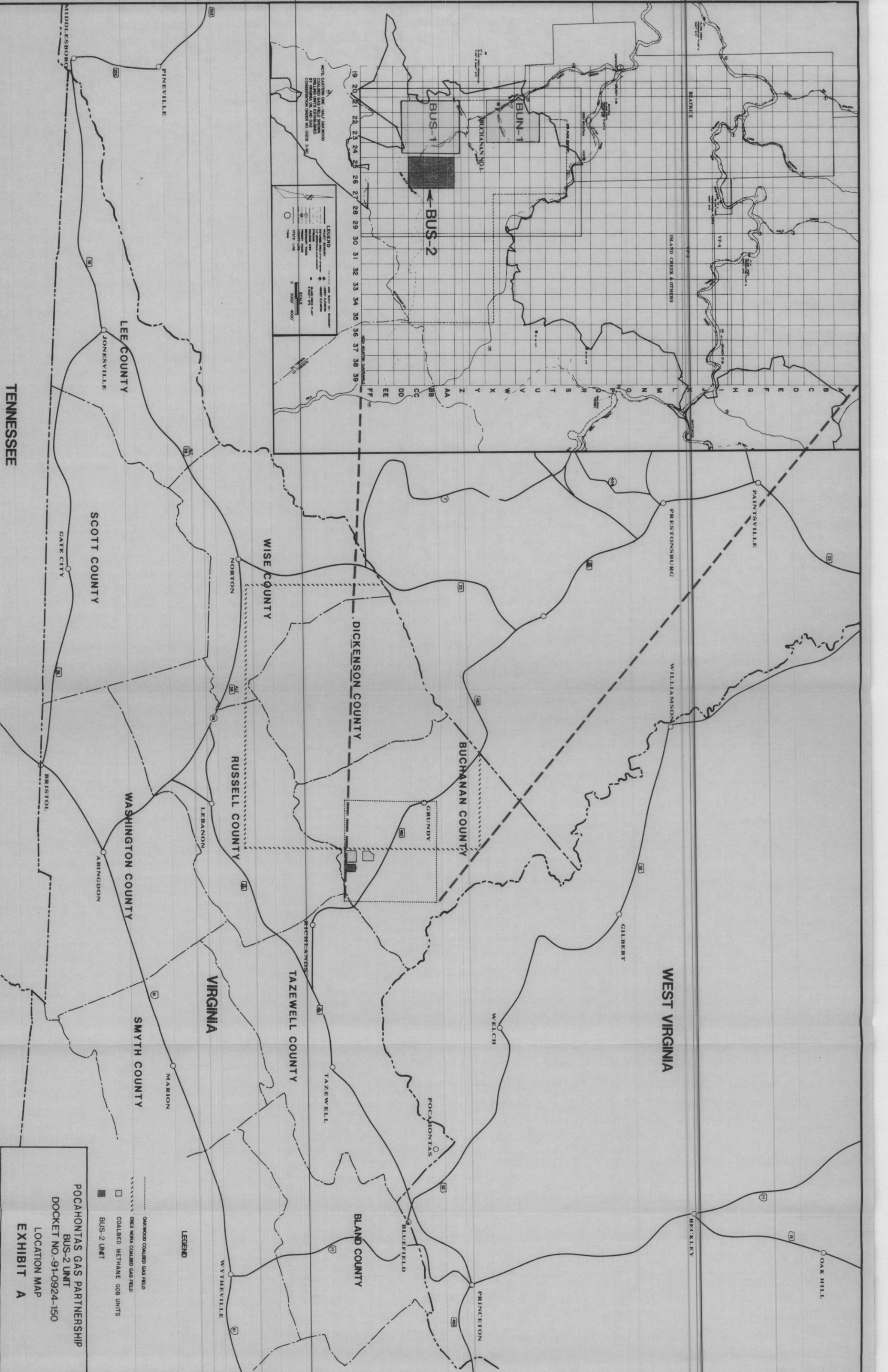
Les Arrington
Authorized Agent for
Pocahontas Gas Partnership

CERTIFICATE

The foregoing application to the best of my knowledge, information and belief is true and correct. Notice was given pursuant to Va. Code Ann. § 45.1-361.19 (Supp. 1991).

A handwritten signature in cursive script, appearing to read "J. S. Christian", is written over a solid horizontal line.

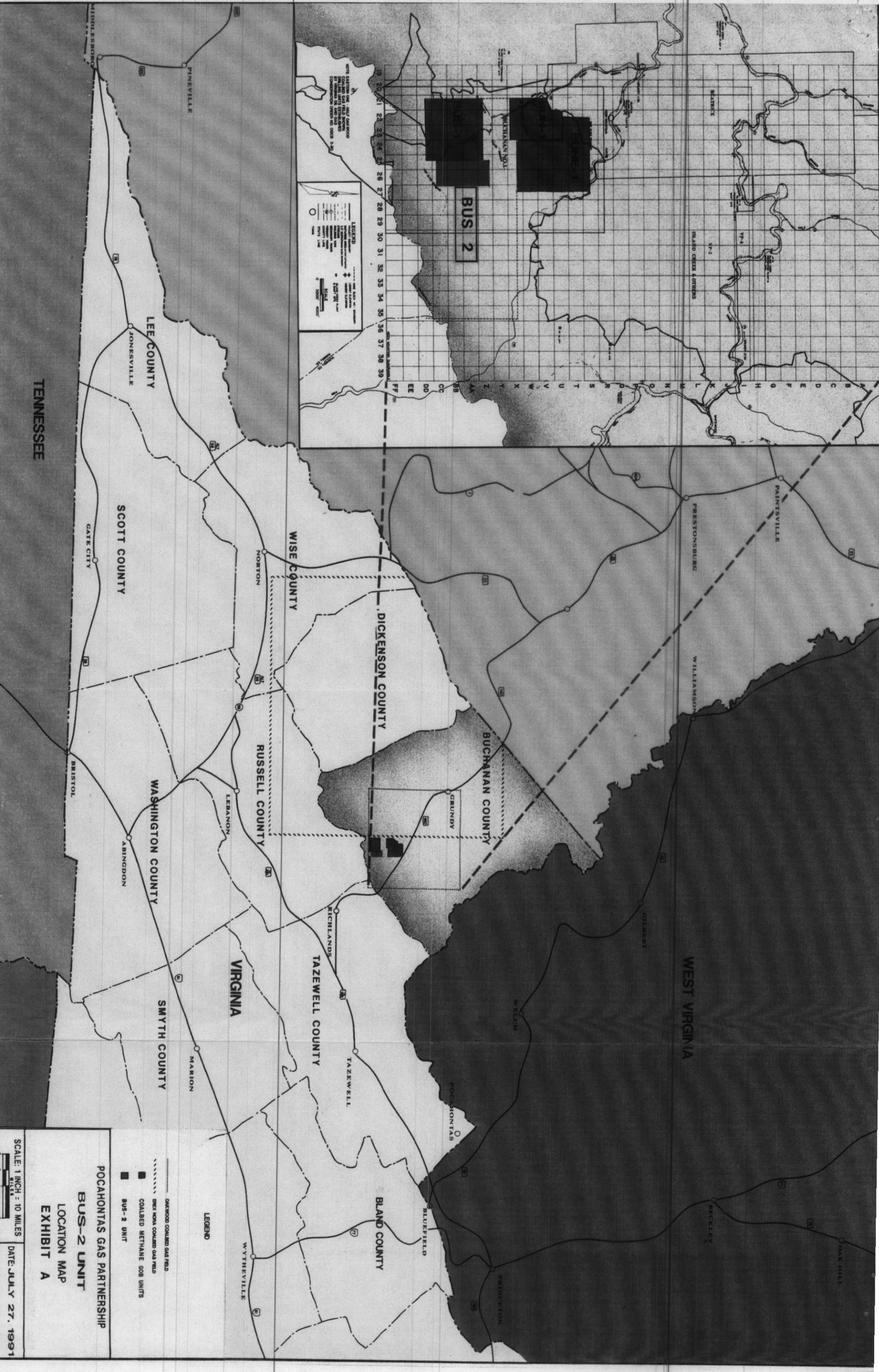
[tj\68-32\BUS2UtAp.rev]



TENNESSEE

WEST VIRGINIA

POCAHONTAS GAS PARTNERSHIP
BUS-2 UNIT
DOCKET NO.-91-0924-150
LOCATION MAP
EXHIBIT A



POCAHONTAS GAS PARTNERSHIP
BUS-2 UNIT
LOCATION MAP
EXHIBIT A

SCALE: 1 INCH = 10 MILES
DATE: JULY 27, 1991



EXPLANATION

- PROPERTY LINE
- OAKWOOD UNIT BUS-2
- 300 FOOT SETBACK
- CONSOLIDATION COAL COMPANY
- BUCHANAN NO. 1 MINE WORKS
- VA STATE PLANE COORDINATES

EXHIBIT B

POCAHONTAS GAS PARTNERSHIP

OAKWOOD UNIT BUS-2

KEEN MTN. QUADRANGLE
BUCHANAN COUNTY, VA

SCALE: 1" = 400 FEET

PREPARED BY: HUNTINGTON
DRAWN BY: BOB STALLARD
DATE: AUG. 28, 1991



EXPLANATION

- PROPERTY LINE
- ▬ OAKWOOD UNIT BUS-2
- 300 FOOT SETBACK
- CONSOLIDATION COAL COMPANY
- BUCHANAN NO. 1 MINE WORKS
- BCH-DG-108 VERTICAL VENTILATION HOLE NO. (VVH)
- (CBM-PGP-108) COALBED METHANE GAS WELL NO. (CBM)
- VERTICAL VENTILATION HOLE (VVH)
- COALBED METHANE GAS WELL (CBM)

N 312,488
E 992,196 VA STATE PLANE COORDINATES

EXHIBIT B-1

POCAHONTAS GAS PARTNERSHIP

WELL LOCATIONS
OAKWOOD UNIT BUS-2

KEEN MTN. QUADRANGLE
BUCHANAN COUNTY, VA

SCALE: 1" = 400 FEET
0 400 800 1200

PREPARED BY: ARDINGTON
DRAWN BY: BOB STALLARD
DATE: AUG. 26, 1991

REVISIONS

EXHIBIT C

I. Coal Ownership:

- | | | |
|----|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Hugh MacRae Land Trust
P.O. Box 29
Tazewell, VA 24651 | 261.47 acres (Tr. 21) - 54.4729%
32.03 acres (Tr. 4) - 6.6729%
166.90 acres (Tr. 20) - 34.7708%
13.7 acres (Tr. 18) - 2.8542% |
| 2. | Consolidation Coal Company
1800 Washington Road
Pittsburgh, PA 15241 | 5.01 acres - 1.0438%
0.89 acres - 0.1854% |

II. Oil and Gas Ownership:

261.47 acre tract:

- | | | |
|----|-------------------------------------------------------------|-------------------------|
| 1. | Hugh MacRae Land Trust
P.O. Box 29
Tazewell, VA 24651 | 261.47 acres - 54.4729% |
|----|-------------------------------------------------------------|-------------------------|

32.03 acre tract:

- | | | |
|----|-------------------------------------------------------------|-----------------------|
| 2. | Hugh MacRae Land Trust
P.O. Box 29
Tazewell, VA 24651 | 32.03 acres - 6.6729% |
|----|-------------------------------------------------------------|-----------------------|

166.90 acres Tract:

- | | | |
|----|----------------------------------------------------------------------------|------------------------|
| 3. | Consolidation Coal Company
1800 Washington Road
Pittsburgh, PA 15241 | 122.4 acres - 25.5000% |
| 4. | Pocahontas Gas Partnership
P.O. Box 210
Mavisdale, Virginia 24627 | 37.75 acres - 7.8646% |
| 5. | Elmer and Evelyn Jackson
Box 415
Vansant, VA 24656 | 5.84 acres - 1.2167% |
| 6. | Steven L. Meadows
Box 22
Rowe, VA 24646 | 0.91 acres - 0.1896% |

13.7 acre Tract:

- | | | |
|----|----------------------------------------------------------------------------|----------------------|
| 7. | Dorothy Hale
Rt. 2, Box 21
Oakwood, VA 24631 | 6.87 acres - 1.4313% |
| 8. | Consolidation Coal Company
1800 Washington Road
Pittsburgh, PA 15241 | 0.34 acres - 0.0708% |
| 9. | Raymond Meadows
Rt. 2, Box 26
Oakwood, VA 24631 | 6.49 acres - 1.3521% |

5.01 acre Tract:

- | | | |
|-----|----------------------------------------------------------------------------|----------------------|
| 10. | Raymond Meadows
Rt. 2, Box 26
Oakwood, VA 24631 | 1.0 acres - 0.2083% |
| 11. | Consolidation Coal Company
1800 Washington Road
Pittsburgh, PA 15241 | 4.01 acres - 0.8354% |

0.89 acre Tract:

- | | | |
|-----|----------------------------------------------------------------------------|----------------------|
| 12. | Consolidation Coal Company
1800 Washington Road
Pittsburgh, PA 15241 | 0.89 acres - 0.1854% |
|-----|----------------------------------------------------------------------------|----------------------|

EXHIBIT D

I. Oil and Gas Ownership:

166.90 acres Tract:

- | | | |
|----|----------------------------------------------|----------------------|
| 1. | Steven L. Meadows
Box 22
Rowe, VA 2464 | 0.91 acres - 0.1896% |
|----|----------------------------------------------|----------------------|

EXHIBIT D

I. Oil and Gas Ownership:

166.90 acres Tract:

- | | | |
|----|----------------------------------------------|----------------------|
| 1. | Steven L. Meadows
Box 22
Rowe, VA 2464 | 0.91 acres - 0.1896% |
|----|----------------------------------------------|----------------------|

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	POCAHONTAS GAS PARTNERSHIP)	
)	
RELIEF SOUGHT:	CONSOLIDATION OF THE OAKWOOD)	
	COALBED GAS FIELD UNITS)	Docket No.
	AA-25, AA-26, BB-25, BB-26,)	VGOB-91-0924-150
	CC-25 AND CC-26 FOR THE)	
	ESTABLISHMENT OF A UNIT)	
	DESIGNATED AS THE BUS2)	
)	
LEGAL)	
DESCRIPTION:	BUCHANAN COUNTY, VIRGINIA)	
	(SEE DESCRIPTION HEREIN AND)	
	PLAT ATTACHED HERETO AS)	
	EXHIBIT "B"))	

A P P L I C A T I O N

1. Parties.

1.1 Applicant herein is Pocahontas Gas Partnership, a Virginia partnership composed of Consolidation Coal Company ("Consol"), a Delaware corporation, and Conoco Inc., a Delaware corporation, whose address for the purposes hereof is P.O. Box 210, Mavisdale, Virginia, 24627, Telephone: (703) 498-3336. The attorneys for Applicant are James P. Jones and Elizabeth A. McClanahan, of the firm of Penn, Stuart, Eskridge & Jones, P.O. Box 2009, Bristol, Virginia 24203, Telephone: (703) 466-4800.

1.2 Applicant seeks by this application the consolidation of Oakwood Coalbed Gas Field Units AA-25, AA-26, BB-25, BB-26, CC-25 and CC-26 for the establishment of the BUS2 unit for the exploration, development and production of coalbed methane from the pool defined as those strata correlative to the coal seams and the coal seams below the Tiller Seam, including the Lower Castle, Upper Seaboard, Greasy Creek, Middle Seaboard, Lower

Seaboard, Upper Horsepen, Middle Horsepen, C, War Creek, Pocahontas No. 10, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams or pools, and all zones in communication therewith and all productive extensions thereof (hereinafter the "Pool"), underlying an area in Buchanan County, Virginia, as described on the attached Exhibit "A".

1.3 The names and last-known addresses of each owner identified by Applicant as having an interest in the coalbed methane, or in the case of conflicting claims to the ownership of the coalbed methane, each person identified by the Applicant as a potential owner of the coalbed methane underlying the tracts described in Exhibit "B", are set forth in Exhibit "C" attached hereto and made a part hereof.

Each of the individuals named in Exhibit "C" is being made a party if living; if any such individual is deceased, then the unknown heirs, executors, administrators, devisees, trustees and assigns, both immediate and remote, of any such deceased individual are made parties herein. Any entity listed in Exhibit "C" that is a corporation is being made a party if such entity continues to have legal existence, and if any such corporation is dissolved, then the unknown successors, trustees and assigns, both immediate and remote, of such dissolved corporation are made parties herein.

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1.4 The coal, oil and gas tracts in which Pocahontas Gas Partnership has no interest are listed in Exhibit "D". Consolidation Coal Company, a partner of Pocahontas Gas Partnership, and Pocahontas Gas Partnership control 100% of the coal estate below drainage, 99.8104% of the oil and gas estate and 5.2292% of the coalbed methane estate underlying the lands described herein and depicted on the attached Exhibit "B". Applicant is an owner of the right to explore for, develop and produce the coalbed methane underlying 100% of the lands described herein and depicted on the attached Exhibit "B".

2. Allegation of Facts.

2.1 Applicant has acquired sufficient data necessary to determine the spacing of wells for the Pool within the proposed unit in Buchanan County, Virginia, as shown on the attached Exhibits "A" and "B". The boundaries of the unit proposed by this application are as shown on the attached Exhibit "B" and are within

the boundaries of the Oakwood Coal Bed Gas Field as established by Order No. OGCB 3-90 dated May 18, 1990 (the "Oakwood Order"). The name of the unit proposed by this application is the BUS2. Such data shows that the lands involved herein are wholly or substantially underlain by the Pool, consisting of a common accumulation of coalbed methane, and that the maximum area within the Pool of the proposed BUS2 unit underlying the lands involved herein that can be efficiently and economically drained by ten (10) wells is an area of approximately 480 acres.

2.2 The proposed BUS2 contains a total of 480 acres. Consolidation Coal Company, a partner of Pocahontas Gas Partnership, and Pocahontas Gas Partnership are the owners of coal leases below drainage covering approximately 474.10 acres, oil and gas leases covering approximately 313.70 acres and coalbed methane leases covering 20.20 acres in BUS2. In addition, Consolidation Coal Company, a partner of Pocahontas Gas Partnership, and Pocahontas Gas Partnership are the owners of 5.90 acres of coal and 165.39 acres of oil and gas in BUS2.

2.3 In the interest of preventing the waste of coalbed methane, avoiding the drilling of unnecessary wells, protecting correlative rights, and allowing concurrent development of conflicting leasehold estates, the Oakwood Order should be modified, the Oakwood Coalbed Gas Field Units AA-25, AA-26, BB-25, BB-26, CC-25 and CC-26 should be consolidated, and the boundaries

of the Pool should be established so as to cover and include the 480 acres as shown on Exhibit "B".

2.4 The Oakwood Order provides that the minimum spacing distance between coalbed methane wells shall be 600 feet. The Oakwood Order further provides that the minimum distance from the nearest outside boundary of a drilling unit at which a coalbed methane well may be drilled shall be 300 feet.

2.5 Applicant hereby requests location exceptions to the Oakwood Order for the location of well numbers BCH-DG-104 (CBM-PGP-104), BCH-DG-106C (CBM-PGP-106C) and BCH-DG-112 (CBM-PGP-112). Such exceptions are necessary since three (3) of the vertical ventilation holes (VVHs) within the proposed BUS2 unit are drilled closer than 300' to the proposed unit boundary.

2.6 It is the opinion of Applicant that the location exceptions requested would provide for the most efficient drainage of the Pool underlying the proposed unit described in Exhibit "B", which would thus prevent the waste of the mineral resources underlying the Commonwealth. The exceptions are also necessary for purposes of mine safety, for compliance with federal and state laws and regulations, and in order that the well spacing and modification within BUS2 conform and correspond to mine development plans and operations consistent with the Virginia Department of Mines, Minerals, and Energy laws and regulations.

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BUS2 would consist of four (4) longwall panels of Consol's Buchanan No. 1 mine. The strata within the coal-bearing area of Consol's Buchanan No. 1 mine consists of sandstone, shales and coals of the Lower Pennsylvania Pottsville Group. The formations in ascending stratigraphic order are: Pocahontas (which contains the Pocahontas No. 3 seam); Lee; and, Norton. There is approximately 600 feet of stratigraphic section between the Pocahontas No. 3 seam horizon and the Norton formation horizon. Structurally this area lies in the asymmetrical, southwesterly plunging Dry Fork Anticline. Strata dips are to the northwest at 1 to 2 degrees. The Dry Fork Anticline plunges approximately 0.5 degrees to the southwest.

2.8 A minimum of ten (10) VVHs should be approved to be converted to coalbed methane wells within BUS2. With the exception of the wells listed in paragraph 2.5, any well within BUS2 should not be located at any point less than 300 feet from the boundary of BUS2, and in any event should not be located less than 600 feet from any other existing well completed in BUS2, unless the Gas and

Oil Inspector (the "Inspector") grants a variance. The Inspector may grant variances for the number of wells to be converted within BUS2 for purposes of mine safety or in order that the well spacing within BUS2 conforms and corresponds to mine development plans and operations.

2.9 The proposed well bore location for BCH-DG-101 (CBM-PGP-101), is located 7420 feet South of latitude $37^{\circ} 10' 00''$ and 3440 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 314,430.82, East 989,093.52.

The proposed well bore location for BCH-DG-104 (CBM-PGP-104), is located 7920 feet South of latitude $37^{\circ} 10' 00''$ and 2520 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 313,915.62, East 989,970.81.

The proposed well bore location for BCH-DG-105 (CBM-PGP-105), is located 6427 feet South of latitude $37^{\circ} 10' 00''$ and 2480 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 315,435.63, East 990,027.24.

The proposed well bore location for BCH-DG-106 (CBM-PGP-106), is located 5447 feet South of latitude $37^{\circ} 10' 00''$ and 2450 feet

West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 316,416.82, East 990,065.69.

The proposed well bore location for BCH-DG-106C (CBM-PGP-106C), is located 3750 feet South of latitude $37^{\circ} 10' 00''$ and 2370 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 318,096.72, East 990,115.30.

The proposed well bore location for BCH-DG-107 (CBM-PGP-107), is located 7620 feet South of latitude $37^{\circ} 10' 00''$ and 1680 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 314,216.08, East 990,836.55.

The proposed well bore location for BCH-DG-108 (CBM-PGP-108), is located 6539 feet South of latitude $37^{\circ} 10' 00''$ and 1630 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 315,318.01, East 990,892.96.

The proposed well bore location for BCH-DG-110 (CBM-PGP-110), is located 7620 feet South of latitude $37^{\circ} 10' 00''$ and 930 feet West of longitude $81^{\circ} 57' 30''$ in the Keen Mountain Quadrangle of

Buchanan County, Virginia, Virginia South State Plane coordinates North 314,210.48, East 991,577.16.

The proposed well bore location for BCH-DG-111 (CBM-PGP-111), is located 6599 feet South of latitude 37° 10' 00" and 930 feet West of longitude 81° 57' 30" in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 315,252.64, East 991,595.09.

The proposed well bore location for BCH-DG-112 (CBM-PGP-112), is located 3862 feet South of latitude 37° 10' 00" and 655 feet West of longitude 81° 57' 30" in the Keen Mountain Quadrangle of Buchanan County, Virginia, Virginia South State Plane coordinates North 317,977.50, East 991,871.52.

3. Legal Authority. The relief sought by this Application is authorized by: (1) Va. Code Ann. §§ 45.1-361.1, et seq. (Supp. 1991); (2) VR 480-05-22, et seq.; (3) VR 480-05-22.1, et seq.; (4) VR 480-05-22.2, et seq.; and, (5) such other regulations promulgated pursuant to law.

4. Relief Sought. Applicant respectfully requests the Virginia Gas and Oil Board to enter an order establishing a unit as follows:

(A) Consolidating Oakwood Coalbed Gas Field Units AA-25, AA-26, BB-25, BB-26, CC-25 and CC-26 and establishing the boundaries of the Pool of coalbed methane so as to cover and include the proposed BUS2 unit as set forth in the attached Exhibit "B", and designating the Pool underlying such lands;

(B) Establishing the rules regarding the number of VVHs that may be converted to coalbed methane wells;

(C) Granting location exceptions to the Oakwood Order and approving the location of well numbers BCH-DG-101 (CBM-PGP-101), BCH-DG-104 (CBM-PGP-104), BCH-DG-105 (CBM-PGP-105), BCH-DG-106 (CBM-PGP-106), BCH-DG-106C (CBM-PGP-106C), BCH-DG-107 (CBM-PGP-107), BCH-DG-108 (CBM-PGP-108), BCH-DG-110 (CBM-PGP-110), BCH-DG-111 (CBM-PGP-111) and BCH-DG-112 (CBM-PGP-112) at the coordinates set forth herein and depicted on the plat attached as Exhibit "B-1" for the proposed unit; and,

(D) Granting such other and further relief as may be appropriate based upon the evidence presented at the hearing.

DATED this 26th day of AUGUST, 1991.

POCAHONTAS GAS PARTNERSHIP

By: Leslie K. Quington

Authorized Agent for
Pocahontas Gas Partnership

CERTIFICATE

The foregoing application to the best of my knowledge, information and belief is true and correct. Notice was given pursuant to Va. Code Ann. § 45.1-361.19 (Supp. 1991).

Leslie K. Quington

[tj\68-32\BUS2Unit.app]

PennStuart

Geo. E. Penn (1895-1931)
Wm. A. Stuart (1922-1976)

Wm. W. Eskridge
James P. Jones
John B. Hemmings
Stephen M. Hodges
W. Challen Walling
Wade W. Massie
Daniel H. Caldwell
Michael F. Blair
William M. Moffet
Mark L. Esposito
Elizabeth A. McClanahan
Timothy W. Gresham

B. L. Conway, II
Monroe Jamison, Jr.
H. Ashby Dickerson
Byrum L. Geisler
M. Jill Morgan
Kenneth D. Hale
Richard E. Ladd, Jr.
W. Bradford Stallard
Joseph B. Lyle
Ramesh Murthy
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Offices in Abingdon
and Bristol, Virginia

August 26, 1991

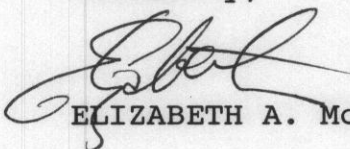
Byron T. Fulmer, Secretary
Virginia Gas & Oil Board
230 Charwood Drive
Abingdon, Virginia 24210

Re: Docket No.: VGOB-91-0820-137

Dear Tom:

Pocahontas Gas Partnership would like to request a continuance on the BUNE1 unit application hearing to the October Board docket. Thanks very much.

Sincerely,


ELIZABETH A. McCLANAHAN

EAM/lws

[tj\68-32\fulmer2.1tr]

